United States
Department of
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Economic
Research
Service

DS-391

December 1982

Dairy

OUTLOOK & SITUATION

Table 1.--U.S. dairy situation at a glance

Item	Unit or base period	Quarterly data					
		3rd 1980	3rd 1981	4th 1981	1st 1982	2nd 1982	3rd 1982
Production and cow numbers:							
Total milk	Mil. lb	32,222	33,086	31,982	33,005	35,512	33,848
Milk per cow	Lb	2,977	3,029	2,913	2,999	3,226	3,028
Number of milk cows	Thou.	10,823	10,925	10,981	11,005	10,985	11,026
Prices received by farmers:							
All milk, sold to plants, 100 pounds	Dol	12.87	13.53	14.00	13.77	13.23	13.30
Percentage of parity 1/	Pct	71	69	67	65	65	64
Manufacturing grade milk, 100 pounds	Dol	11.87	12.47	12.97	12.83	12.50	12.40
Parity equivalent	Dol	16.19	17.95	17.89	18.68	18.86	18.98
Fat content	Pct	3.55	3.57	3.81	3.77	3.62	3.57
Minnesota-Wisconsin (3.5% fat), 100 pounds	Dol	11.89	12.49	12.53	12.49	12.43	12.44
Milk eligible for fluid market, 100 pounds	Dol	13.03	13.73	14.20	13.97	13.43	13.47
Price ratio and dairy ration value:							
Milk-feed relationship	Lb.	1.43	1.44	1.54	1.54	1.48	1.51
Value of concentrate ration fed, milk cows	Dol	7.10	8.21	7.74	7.60	7.50	7.66
Farm cash receipts from dairy products	Mil. dol	4,117	4,450	4,446	4,387	4,894	4,380
Production of factory products:							
Butter	Mil. lb	236.0	250.2	302.3	368.6	332.9	262.2
American cheese, whole milk	Mil. lb	581.1	619.1	611.1	655.6	740.9	662.5
Cheese, other than American	Mil. lb	386.2	398.4	426.6	393.6	437.8	437.0
Canned milk, unskimmed	Mil. lb	178.6	194.6	193.6	173.3	195.0	185.6
Dry whole milk	Mil. lb	19.8	23.3	26.3	26.6	29.2	21.4
Frozen products 2/	Mil. gal	350.3	348.0	244.8	251.1	334.7	347.8
Creamed cottage cheese	Mil. lb	214.9	197.8	176.3	184.0	197.2	192.8
Total (milk-equivalent, fat-solids-basis) 3/	Mil. lb	17,717	18,489	17,626	19,414	21,419	19,431
Nonfat dry milk, human use	Mil. lb	303.4	325.6	291.4	336.6	417.2	346.7
Wholesale prices:							
Butter, Grade A, Chicago, pound	Ct	142.9	148.2	149.2	147.6	147.3	148.0
Cheese, American (40-pound blocks), f.o.b., Wisconsin assembling points, pound	Ct	133.4	139.2	140.6	137.7	137.2	137.8
Evaporated milk, case	Dol	19.89	21.70	21.90	21.99	22.02	22.02
Nonfat dry milk, pound, f.o.b. Central States, high heat	Ct	88.8	92.9	93.4	93.3	93.0	93.1
Dairy products (BLS)	1967=100	232.1	245.3	247.2	247.9	248.5	249.0
Retail prices (BLS):							
Consumer price index 4/	1967=100	249.6	276.7	280.7	283.0	287.3	292.8
All food 4/	1967=100	258.2	277.2	277.5	282.4	285.7	287.8
All dairy products 4/	1967=100	229.6	244.1	245.0	246.3	246.9	247.3
Fluid milk and cream	12/77=100	127.9	134.7	134.9	135.3	135.6	135.4
Whole milk	1967=100	209.6	220.3	220.7	221.5	221.8	221.2
Other	12/77=100	127.2	134.8	135.1	135.3	135.8	135.9
Manufactured dairy products	12/77=100	132.5	142.7	143.6	144.7	145.2	146.1
Butter	1967=100	231.4	246.4	248.0	249.4	250.7	251.8
Cheese	12/77=100	130.9	140.8	141.0	142.7	143.6	144.6
Frozen desserts	12/77=100	135.8	148.1	149.8	150.1	149.7	150.1
Other	12/77=100	128.2	136.5	138.5	139.3	139.4	141.0
Margarine	1967=100	248.5	256.9	255.8	257.1	260.2	258.5
Stocks, end of quarter:							
Creamery butter	Mil. lb	302.9	489.5	429.2	447.8	541.6	522.1
Cheese, total 5/	Mil. lb	678.1	982.1	975.8	897.8	1,004.1	1,011.2
Canned milk, unskimmed	Mil. lb	120.4	102.1	46.8	48.2	90.6	104.3
Dry whole milk	Mil. lb	3.0	3.0	6.0	6.9	9.6	7.3
Total (milk-equivalent, fat-solids-basis) 6/	Mil. lb	12,884	19,813	18,377	18,020	20,871	20,736
Nonfat dry milk	Mil. lb	599.4	809.0	889.7	975.6	1,132.4	1,240.1
Commercial disappearance:							
Creamery butter	Mil. lb	229.3	222.9	243.2	213.4	216.5	223.1
Cheese, American	Mil. lb	471.2	536.5	548.4	534.7	527.6	548.5
Cheese, other than American	Mil. lb	438.3	457.4	528.6	444.8	478.1	489.2
Canned milk, unskimmed	Mil. lb	170.0	167.1	246.0	170.1	149.5	166.3
Milk in all products	Mil. lb	30,853	31,622	30,482	28,426	30,826	31,888
Nonfat dry milk	Mil. lb	186.9	155.4	118.0	94.4	75.2	150.0
USDA net removals:							
Butter	Mil. lb	9.6	36.8	44.4	164.1	132.1	42.9
Cheddar cheese	Mil. lb	126.4	137.1	73.2	127.9	220.1	177.3
Nonfat dry milk	Mil. lb	178.6	199.7	174.6	235.0	309.3	234.7
Evaporated milk	Mil. lb	4.8	4.7	4.0	3.9	5.5	6.0
Total (milk-equivalent, fat-solids-basis)	Mil. lb	1,458	2,123	1,648	4,660	4,886	2,651

1/ Seasonally adjusted prices as percentage of parity price. 2/ Ice cream, ice milk, and sherbet. 3/ Includes manufactured products for which current data are available. 4/ For all urban consumers starting January 1978. 5/ Natural plus processed American cheese held by CCC. 6/ Excludes cream and bulk condensed milk.

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Principal Contributors
Clifford M. Carman
Suzanne L. Dash
(202) 447-8636

Statistical Assistant
LaVerne T. Williams

Electronic Word Processing
Francina F. Edwards

National Economics Division
Economic Research Service
U.S. Department of Agriculture
Washington, D.C. 20250

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Summary

Record milk production, alltime-high Government purchases—despite improved commercial disappearance—and milk and dairy product prices near year-earlier levels highlight the 1982 dairy situation. Potentially, 1983 presents the same picture. Farm prices are expected to be little changed, while retail prices may be up marginally from a year earlier. Therefore, commercial disappearance will likely improve, but milk production will be larger. So, USDA will continue to purchase large amounts of dairy products.

As allowed by the the Omnibus Budget Reconciliation Act of 1982, the Secretary of Agriculture set the support price for the 1982/83 marketing year at $13.10 per cwt for manufacturing grade milk with 3.67 percent fat ($12.80 at 3.5 percent fat). This support is the minimum allowed, and it is the same support price that was put into effect October 1, 1980. In addition, the Secretary has implemented a 50-cent-per-cwt deduction for all milk marketed after December 1. He is authorized to implement a second 50-cent deduction beginning April 1, 1983. The current support level may be retained during 1983/84.

November prices for manufacturing grade milk averaged $13 per cwt—up 70 cents from July, but 10 cents below a year earlier. Prices for all milk reached a seasonal low in June but have risen since—averaging $13.90 per cwt during November. For 1982, the all-milk price will likely average $13.55, 25 cents per cwt below last year. In 1983, the all-milk price is expected to be little changed from 1982. But, farmers' returns per cwt could average 6 percent or more below 1982, given the first 50-cent deduction and assuming the second one.

The summer's decline in the prices of feed ingredients (corn and soybean meal) has partly been reflected in lower dairy feed prices. The price of 16-percent protein dairy rations averaged $172 a ton during November, down $7 from a year earlier and $9 below May. The decline in feed costs, coupled with an all-milk price that decreased less than the feed costs (down less than 1 percent from a year earlier), has pushed the milk/feed price relationship to 1.62, the highest value since December 1978.

With a record harvest completed, feed prices will likely rise little seasonally and, therefore, will trail year-earlier

levels at least through the first half of 1983. However, with farm prices for milk expected to show a seasonal decline from January to June, the milk/feed price relationship will still decrease. Even so, it will remain above this year's level through the first half of next year. However, if the milk price is adjusted to account for both 50-cent deductions, the milk/feed price relationship will move below year-earlier levels starting next spring. Nevertheless, the relationship should remain above 1981 levels.

Milk production during third-quarter 1982 was up 2.3 percent, the result of 101,000 more cows and a 42-pound increase in output per cow. With the number of dairy herd replacements per 100 cows record large on July 1, some additional herd expansion probably happened this fall. Also, the milk/feed price relationship continues to promote heavy concentrate feeding. Thus, year-over-year gains in output per cow likely occurred. As a result, milk production probably continued to increase this fall, as it has since mid-1979. This year's production will be about 2 percent above 1981's record 132.6 billion pounds.

Dairy farmers' reactions to the deductions will play a key role in determining the size of 1983 milk output. Although the first deduction has already been largely offset by lower feed costs, the second deduction could partly offset other economic factors that point to increased milk production—continued low feed costs, large forage supplies, and weak prospects for alternative types of employment. The squeeze the deductions will place on producers' returns is expected to cause a decline in milk cow numbers. Nevertheless, the number of milk cows next year will likely average near 1982. With the same number of cows and an expected 2-percent increase in output per cow, milk production is projected to be up 2 percent in 1983.

Wholesale prices for butter, cheese, and nonfat dry milk continue stable. They have been nearly unchanged since October 1980, because supplies are more than ample and the Commodity Credit Corporation's (CCC) support purchase prices are unchanged. In November, the Bureau of Labor Statistics' (BLS) index of wholesale dairy prices stood at 250.2 (1967=100), up only 1.3 percent from a year earlier. Since the support price and the support purchase prices didn't increase this fall, and the 50-cent deductions have no direct effect on processor costs for milk, wholesale prices of dairy products are expected to be near current levels through mid-1983.

Because of higher marketing costs, retail prices for dairy products are averaging 1 to 2 percent higher this year than in 1981. The September BLS index of retail dairy prices was 247 (1967=100), up 1.1 percent from a year earlier. Retail prices for dairy products will likely increase 2 to 4 percent in 1983, also because of higher marketing costs.

Commercial disappearance of milk and dairy products during January-September increased 1.7 percent from a year earlier. On a milk-equivalent, fat-solids basis, this is a gain of 1.5 billion pounds. Rebounding sharply, total 1982 disappearance will likely be 122 billion pounds, up 1.9 billion from 1981. However, the gain was less than expected given the decline in this year's real prices of dairy products, due to the weak economy and higher unemployment. For the same reasons, commercial disappearance in 1983 is expected to rise another 1.5 percent.

USDA purchases during 1982 have likely increased 1.6 billion pounds on a milk-equivalent, fat-solids basis—partly because the gain in production has offset the increase in use, but mostly because of a 1-billion-pound drop in commercial stocks. USDA purchases will continue large in 1983, because gains in milk production will likely counterbalance improved commercial disappearance. Because 1983 purchases are expected to exceed donations, Government stocks will continue to expand.

PRICES AND INCOME

Support Set at Minimum; Deductions Start

The 1982/83 marketing year support price was set at $13.10 per cwt for manufacturing grade milk with 3.67 percent fat ($12.80 at 3.5 percent fat). This support is the minimum allowed under new dairy legislation contained in Title I of the Omnibus Budget Reconciliation Act of 1982. This is the same support price that was in effect for 1980/81 and for most of 1981/82. Furthermore, on December 1, the Secretary of Agriculture implemented a 50-cent-per-cwt deduction for all milk marketed. The Secretary is authorized by the new legislation to collect 50 cents per cwt if CCC purchases are expected to be more than 5 billion pounds milk equivalent during the marketing year.

The collection phase of this deduction program is being handled by USDA's Agricultural Marketing Service. The collected funds are to be remitted to CCC to offset part of the costs of the dairy price support program. Those who pay dairy farmers for their milk—in most cases milk handlers and dairy cooperative associations—are responsible for making the deductions and paying CCC. Dairy farmers who sell their milk directly to consumers will also be responsible for paying CCC. Payments for milk marketed during a given month are due on the date final payment is made to the dairy farmer, or the last day of the following month, whichever is earlier. The first deductions will apply to milk marketed in December, and payments will be due during January 1983. Those responsible for making payments will be required to file a brief report on the milk volume for which they made deductions.

Effective April 1, 1983, the Secretary may provide for the deduction of an additional 50 cents per cwt, as the forecast of net marketing-year purchases exceeds 7.5 billion pounds milk equivalent. However, before this provision can be implemented, a program must be established to refund the second deduction to the producers who lower their output by a specified amount.

With no change in the 1982/83 support price, there was no change in CCC purchase prices on October 1. The price of butter remains at $1.49 a pound in Chicago and $1.52 in New York City. Nonfat dry milk is still 94 cents a pound, plus 1.25 cents if fortified. Cheddar cheese in 40- or 60-pound blocks continues at 139.5 cents a pound, less 3 cents if the cheese is in 500-pound barrels.

Farm Prices Continue Below 1981

Producer prices for milk during each of the first 10 months of 1982 averaged 10 to 30 cents below a year earlier. Second-quarter prices, seasonally the lowest, showed the greatest decline from 1981. The all-milk price averaged $13.90 per cwt in November, down 10 cents (almost 1 percent) from a year earlier. The all-milk price bottomed out in June at $13.10. The relatively small spread in prices during the year—80 cents—is indicative of the surplus situation. More-than-ample

Table 2—Manufacturing milk: Comparisons of announced support prices and U.S. average market prices paid to producers, marketing years, 1974-82[1]

Marketing year[2]	Date	Support level		Average market level		
		Price per	Percentage equivalent[3]	Price per	As a percentage of parity equivalent	
					In month prior to marketing year year	Average during marketing year
		Percent		*Dollars*	*Percent*	
1974	4/01/74	81	6.57			
	1/04/75	89	7.24	6.87	85	78
1975	4/01/75	79	7.24			
	10/02/75	84	7.71	8.12	89	84
1976	4/01/76	80	8.13			
	10/01/76	81	8.26	8.52	84	82
1977[4]	4/01/77	82	9.00	[5]8.77	80	80
1977	10/01/77	82	9.00			
	4/1/78	86	9.43	9.30	85	79
1978	10/01/78	80	9.87			
	4/01/79	87	10.76	10.66	88	80
1979	10/01/79	80	11.49			
	4/1/80	87	12.36	11.75	82	76
1980	10/01/80	80	13.10	12.71	78	73
1981	10/01/81	75	13.49			
	10/21/81	72.9	13.10	12.67	70	68
1982	10/01/82	69.1	13.10			

[1]See DS-387, December 1981, table 2 for earlier data. [2]Start of marketing year was April 1 during 1974-77; was October 1 for 1977 to present. [3]Except as noted, this is the actual percentage of the parity equivalent price published in month before the marketing year. In some cases, the announced percentages, based on forward estimates of parity, were slightly different. Parity equivalent is based on prices for all manufacturing grade milk. [4]April-September transition period. [5]Average for the transition period, adjusted to annual average fat test.

Table 3—Computations of parity equivalents for U.S. manufacturing milk, per 100 pounds, marketing years, 1974-82[1]

Marketing year[2]	Base period[3]			Adjusted base price[5]	Parity[4]		
	All milk wholesale	Manufacturing grade milk	Ratio		Index (1910-14=100)	Prices	
						All milk wholesale	Equivalent of manufacturing milk grade
	Dollars		*Percent*	*Dollars*		*Dollars*	
1974	5.39	4.43	82.2	1.80	549	9.88	8.12
1975	5.81	4.83	83.1	1.80	612	11.00	9.14
1976	6.26	5.26	84.0	1.82	664	12.10	10.16
1977[6]	6.75	5.72	84.7	1.88	685	12.90	10.93
1978	7.22	6.18	85.6	1.90	756	14.40	12.33
1979	7.74	6.73	87.0	1.91	882	16.50	14.36
1980	8.40	7.39	88.0	1.91	972	18.60	16.37
1981	9.13	8.13	89.0	1.94	1,042	20.20	17.98
1982	9.92	8.91	89.8	1.96	1,075	21.20	18.95

[1]See DS-387, December 1981, table 4 for earlier data. [2]Marketing year began on April 1 until shifted to October 1 in 1977. [3]For the 10 calendar years immediately preceding. [4]Immediately preceding start of marketing year. [5]A 120-month average of farm prices for all wholesale milk divided by a 120-month average of the index of prices received by farmers (both adjusted for supplemental payments) ending with December of previous year. Actual price received during 1910-14 was $1.61. [6]Not affected by change in marketing year, as computations were identical on both April 1 and October 1.

supplies have dampened normal seasonal price increases.

In November, the average price for manufacturing grade milk was $13 per cwt, unchanged from a year earlier. For 1982, the Grade B price is expected to average slightly below 1981, because of the 10-cent lower price during February-August than a year earlier. In 1983, Grade B prices will likely be little changed from 1982, because of more-than-ample supplies of milk and an unchanged price support level. In addition, after adjusting for fat test, the November price for manufacturing grade milk was below the support level. Grade B prices have been below support since April 1980, because of the reduced competition among handlers in parts of the country (due to large milk supplies) and the higher costs of manufacturing butter, cheese, and nonfat dry milk.

The price of milk eligible for fluid use averaged $14.10 per cwt in November, 10 cents below a year earlier. Fluid prices in mid-1982 averaged 30 cents below 1981. For the year, fluid prices will likely average $13.75, 25 cents below last year.

Minimum Class I prices in Federal order markets have shown a slight seasonal increase in recent months, after remaining quite stable through the middle part of the year. For December, the average Class I price is $14.70 per cwt, up 14 cents from September, but only 4 cents above last December. For the year, Class I prices will average around $14.62, down 8 cents from the 1981 annual average. During January 1983, the average Class I price will remain at $14.70.

Over-order payments negotiated by cooperative associations have also been quite stable throughout this year. The estimated average over-order payment in Federal order markets ranged from 56 to 69 cents during 1982 and averaged 61 cents for the year, down 3 cents from the preceding year. Only in 1 month during 1982 did the monthly number vary by more than 5 cents from the annual average, and during the last 7 months of the year, the over-order payment ranged from 56 to 58 cents.

Farm prices for milk may rise 10 to 20 cents in December, due to a normal increase in fat content and a higher fluid-milk utilization rate caused by seasonally lower production and higher fluid sales. The all-milk price in 1982 is expected to average $13.55. In 1983, the all-milk price will likely be little changed from 1982. But, because of the first deduction, farmers' effective returns per cwt dropped 50 cents in December, and their 1983 returns per cwt could average 6 percent or more below 1982 if the second deduction starts on April 1.

In January, after a public hearing on the issue and subsequent approval by the affected producers, four Federal-order marketing areas (Oklahoma Metropolitan, Neosho Valley, Wichita, and the Oklahoma portion of the Red River Valley) will be merged into a single "Southwest Plains" order. The remaining unregulated area in Oklahoma, as well as Beckham County in the Texas Panhandle order, will also be added to the new marketing area. That portion of the Red River Valley order area in Texas will become a part of the Texas Federal order area. The provisions of the new order will generally be patterned after those of the Oklahoma Metropolitan order, with minor modifications. Adjustment of prices under the new order will maintain the same general Class I price structure that existed under the individual orders. The merger action will reduce the number of Federal orders from 49 to 46.

Cash Receipts Up Less Than 1 Percent in 1982

The amount of milk and cream sold to plants and dealers in 1982 will likely be a record 131.4 billion pounds, up from 128.8 billion in 1981. Use of milk on farms continues to decline each year, now accounting for less than 2 percent of production. The amount of milk retailed by farmers is stable at about 1.5 billion pounds.

This year's larger sales to plants and dealers were accomplished at lower prices. While sales were up 2 percent, farmers' cash receipts from milk marketings increased less than 1 percent. In 1981, receipts increased 9 percent, and the past 5-year annual average increase was 10 percent.

Table 4--Milk prices received by U.S. farmers

Month	All sold to plants				Manufacturing grade			
	1979	1980	1981	1982	1979	1980	1981	1982
	Dollars per cwt							
January	11.90	12.80	14.10	13.90	10.90	11.70	13.00	13.00
February	11.90	12.80	14.00	13.80	10.80	11.70	12.90	12.80
March	11.80	12.80	13.80	13.60	10.80	11.80	12.80	12.70
April	11.60	12.70	13.70	13.40	10.80	11.80	12.70	12.60
May	11.50	12.60	13.50	13.20	10.80	11.70	12.60	12.50
June	11.50	12.50	13.40	13.10	10.70	11.70	12.50	12.40
July	11.60	12.60	13.40	13.20	10.80	11.60	12.40	12.30
August	12.00	12.80	13.50	13.20	11.10	11.80	12.40	12.30
September	12.30	13.20	13.70	13.50	11.40	12.20	12.60	12.60
October	12.60	13.70	14.00	13.80	11.60	12.70	12.90	12.90
November	12.90	14.00	14.00	13.90	11.70	12.90	13.00	13.00
December	12.80	14.10	14.00		11.70	13.00	13.00	
Average	12.00	13.00	13.80		11.10	12.00	12.70	

Table 5.--USDA purchase prices under dairy price support programs, 1974-82 1/

Effective date of change	Butter		Nonfat dry milk, extra grade	Natural cheddar cheese, Grade A or higher
	Grade A or higher		Spray	
	Chicago	New York		
	Cents per pound			
4/01/74	60.570	62.00	56.60	70.75
1/04/75	68.070	69.50	60.60	77.25
4/01/75	69.193	70.75	60.60	79.25
10/02/75	79.693	81.25	62.40	85.00
4/01/76	85.817	87.75	62.40	90.50
10/01/76	90.817	92.75	62.40	92.50
4/01/77	100.710	102.75	68.00	98.00
10/01/77	100.710	102.75	68.00	98.00
4/01/78	106.710	108.75	71.00	103.25
10/01/78	111.300	113.50	73.75	106.00
4/01/79	121.800	124.00	79.00	116.00
10/01/79	131.330	134.00	84.00	124.00
4/01/80	140.580	143.25	89.50	132.50
10/01/80	149.000	152.00	94.00	139.50
10/01/81	153.000	156.00	96.50	143.25
10/21/81	149.000	152.00	94.00	139.50
10/01/82	149.000	152.00	94.00	139.50

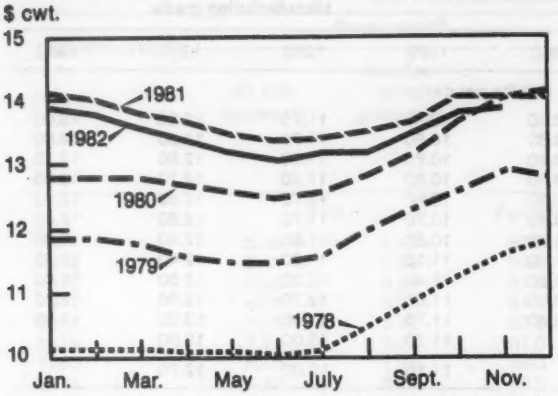
1/ Prices for bulk containers--butter, 64- and 68-pound packages; nonfat dry milk, nonfortified in 50-pounds bags; and cheese, 40- or 60-pound blocks. See DS-387, December 1981, table 3 for earlier data.

Wholesale Prices Steady

From November 1981 to November 1982, the BLS wholesale price index of all dairy products increased 3.3 index points to 250.2 (1967=100), only a 1.3-percent rise. The wholesale price index for ice cream increased the most from last November—2 percent. Meanwhile, a decline of 1.6 percent in the price index of butter and a moderate gain of 0.5 percent in the index for nonfat dry milk held down the industry average, while fresh whole milk and cheese were both up 1.7 percent.

During November, wholesale spot prices for butter, cheese, and nonfat dry milk were all slightly below a year earlier, and are expected to be near current levels through mid-1983. Little change is expected because supplies will be more than ample, the deductions have no direct effect on processors' costs of milk, and the support purchase prices were unchanged this fall. During second-half 1983, wholesale prices could strengthen slightly, if the economy improves and milk production starts to decline. But, because supplies will likely still be large, and purchase prices are expected to remain

Milk Prices*



*U.S. average price received by farmers for deliveries to plants and dealers.

USDA

Neg. ERS 5449-82(12)

unchanged on October 1, 1983, little upward movement seems possible.

Increases in wholesale dairy prices have slowed significantly since 1979, when the index averaged 12 percent higher during the calender year. The index subsequently averaged 9.2 percent higher in 1980 and 6.5 percent higher in 1981, but prices this year have been held down by the continued sluggish economy and excessive milk supplies. For 1982, the index is expected to average about 1.3 percent higher than 1981 and will likely increase 1 to 3 percent next year.

Retail Prices Stable

Retail prices of dairy products have changed little this fall. A slowing of the inflation rate and modest seasonal increases in the farm price of milk have resulted in stabilizing retail prices. The October BLS index of retail prices for all food increased 3.4 percent from a year earlier, while the index for all dairy products rose 1 percent. Fluid products remained virtually unchanged from a year earlier, although varying seasonally. The October retail index of manufactured dairy products was 2 percent

Table 6—Wholesale dairy product prices and index

Item	Unit	Jan.'81	June'81	Nov.'81	Avg. 1981	Jan.'82	June'82	Nov.'82
Butter, A, Chicago	cents/lb	147.25	147.31	150.57	147.99	147.53	147.25	147.44
Cheese, 40-lb blocks, Wisconsin assembly points	cents/lb	139.32	138.82	140.94	139.44	138.31	138.88	140.28
Nonfat dry milk, Central States, high heat	cents/lb	93.39	92.90	93.57	93.11	93.28	92.88	93.12
Wholesale price index (all dairy products)	(1967=100)	244.7	244.6	247.4	245.6	247.7	248.5	250.0
Fresh whole milk	(1967=100)	193.6	192.9	195.5	194.4	196.5	197.8	198.3
Butter	(1967=100)	223.7	224.4	229.8	225.6	225.6	225.8	227.9
Cheese	(1967=100)	309.0	308.8	312.0	309.4	312.3	312.3	316.0
Nonfat dry milk	(1967=100)	467.6	460.3	468.2	462.6	464.0	461.5	461.5
Ice cream	(1967=100)	230.7	233.4	233.6	232.8	233.9	235.7	238.3

Table 7—Retail dairy product prices

Item	Unit	Jan. 1981	May 1981	Oct. 1981	Avg. 1981	Jan. 1982	May 1982	Oct. 1982
Milk, fresh, whole, fortified	$ per 1/2 gal	1.104	1.118	1.124	1.117	1.134	1.129	1.121
Milk, fresh, skim	$ per 1/2 gal	.954	.975	.988	.976	.988	.969	.979
Milk, fresh, lowfat	$ per 1/2 gal	1.070	1.067	1.060	1.065	1.072	1.058	1.064
Butter, salted, Grade AA, sticks	$ per lb	1.992	1.991	1.997	1.993	2.019	2.054	2.056
Ice cream, pre-packaged, bulk, regular	$ per 1/2 gal	1.938	2.008	2.032	2.016	2.128	2.043	2.136
Yogurt, natural, fruit-flavored	$ per 1/2 pt	.491	.499	.511	.500	NA	.495	.508

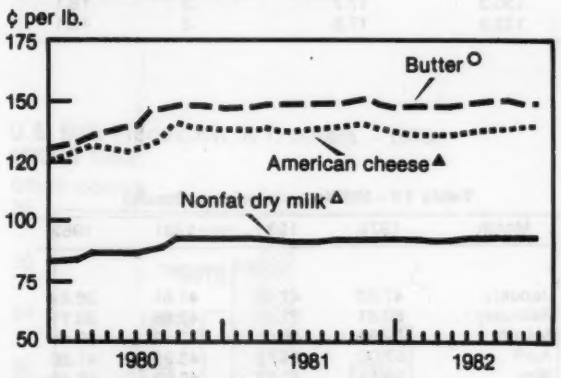
NA = Not available.

Table 8—Retail price index[1]

Item	Index base	Jan. 1981	May 1981	Oct. 1981	Avg. 1981	Jan. 1982	May 1982	Oct. 1982
Consumer price index	1967=100	260.5	269.0	279.9	272.3	282.5	287.1	294.1
All food	1967=100	268.6	272.5	277.6	274.6	281.0	285.5	287.0
All dairy products	1967=100	240.1	243.8	244.6	243.6	245.8	247.0	247.1
Fluid milk and cream	12/77=100	133.0	134.9	134.7	134.5	135.1	135.7	135.0
Whole milk	1967=100	218.2	220.8	220.2	220.2	221.2	222.0	220.8
Other	12/77=100	132.1	134.7	135.2	134.5	135.1	135.7	135.3
Manufactured dairy products	12/77=100	139.6	141.9	143.3	142.2	144.4	145.2	146.2
Butter	1967=100	242.7	245.2	247.2	245.5	249.3	251.1	252.6
Cheese	12/77=100	138.2	140.5	140.9	140.3	142.0	144.0	144.7
Frozen desserts	12/77=100	143.6	146.2	149.9	147.3	150.8	148.7	150.4
Other	12/77=100	133.3	136.1	137.0	136.3	138.4	139.7	141.0

[1]For all urban consumers.

Wholesale Dairy Product Prices



○Grade AA Chicago. △High-heat, central-states.
▲40-lb. block, Wisconsin assembly points.

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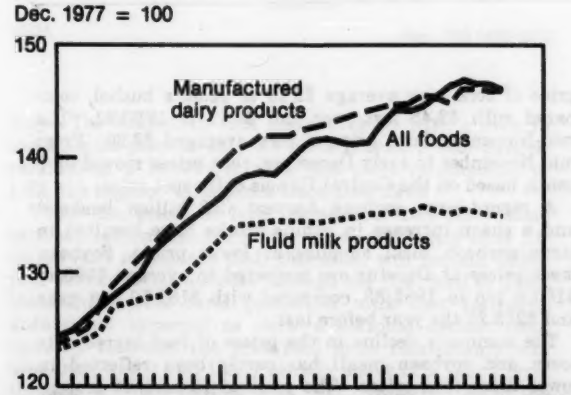
Retail Food and Dairy Product Prices



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above a year earlier. This compares with a 3.5-percent increase from October 1980 to October 1981 and a 12-percent rise the previous year. The retail price index of butter rose 2 percent from a year earlier, while cheese increased 2.7 percent.

In October, the price of fluid whole milk was virtually unchanged from a year earlier. However, whole milk in leading cities was selling for less this fall than in May. On the other hand, skim and lowfat milk increased modestly from the spring—1 and 0.6 percent, respectively. Skim milk prices in October averaged 1 cent below a year earlier, while lowfat prices were unchanged.

The retail price of butter has been increasing throughout most of 1982, although it averaged slightly lower in October than it did in September. Grade AA butter was retailing at $2.06 a pound, 3 percent above a year earlier.

For 1982, the BLS retail price index for dairy products is expected to average a modest increase of 1.5 percent because of higher farm-to-retail costs. In 1983, retail prices will likely be up 2 to 4 percent, again because of higher farm-to-retail costs.

PRODUCTION

Milk/Feed Relationship Improves

Lower prices for agricultural inputs and a slower rate of increase in nonagricultural costs have been favorable to increased milk production over the last year. The prime interest rate has declined sharply from the 18.9-percent average in 1981 and the 16.5-percent average this spring, standing at the present rate of 11.5 percent. The rate of increase in the producer price index for all items has been cut in half, with about a 4-percent rate expected this year, compared with 9.2 percent in 1981. Interest and inflation rates will likely continue near present levels in 1983.

This fall's domestic corn and feed grain harvests are again record large. In addition, reduced U.S. feed grain exports in 1981/82 and only a small increase in domestic feed use have doubled the 1982/83 carryover compared with last year. Only modest increases in exports and feed use are expected in 1982/83. Consequently, the farm

Table 9—U.S. milk marketings and cash receipts, selected years, 1970-82[1]

Year	Milk used on farms where produced	Milk marketed by farmers: Sold to plants and dealers: As whole milk and farm-separated cream	Milk marketed by farmers: Retailed by farmers as milk and cream	Milk marketed by farmers: Total	Cash receipts from milk marketed by farmers: Milk and cream sold to plants and dealers	Cash receipts from milk marketed by farmers: Retail by farmers	Cash receipts from milk marketed by farmers: Total
	Billion pounds				*Billion dollars*		
1970	4.0	111.3	1.7	113.0	6.3	.2	6.5
1971	3.8	113.1	1.6	114.8	6.6	.2	6.8
1972	3.5	115.0	1.5	116.5	6.9	.2	7.1
1973	3.4	110.6	1.5	112.1	7.9	.2	8.1
1974	3.2	110.8	1.5	112.4	9.2	.3	9.4
1975	3.1	110.8	1.6	112.3	9.7	.3	9.9
1976	3.0	115.7	1.5	117.2	11.2	.3	11.4
1977	2.8	118.4	1.5	119.8	11.5	.3	11.7
1978	2.7	117.3	1.5	118.8	12.4	.3	12.7
1979	2.5	119.4	1.5	120.9	14.4	.3	14.7
1980[2]	2.3	124.7	1.5	126.2	16.3	.3	16.6
1981[2]	2.3	128.8	1.5	130.3	17.7	.3	18.1
1982[3]	2.2	131.4	1.5	132.9	17.8	.3	18.1

[1]Totals may not add due to rounding. [2]Preliminary. [3]Estimated.

Table 10—U.S. milk production[1]

Quarters	1980	1981	Year-to-year change	1982	Year-to-year change
	Million pounds		*Percent*	*Million pounds*	*Percent*
January-March	31,237	32,426	+3.8	33,005	+1.8
April-June	34,056	35,140	+3.2	35,512	+1.1
July-September	32,222	33,086	+2.7	33,848	+2.3
October-December	31,010	31,982	+3.1		
Total	128,525	132,634	+3.2		

[1]Excludes milk sucked by calves.

Table 11—U.S. milk/feed price relationship[1]

Month	1979	1980	1981	1982
		Pounds		
January	1.62	1.54	1.39	1.55
February	1.59	1.57	1.39	1.54
March	1.58	1.55	1.41	1.52
April	1.56	1.55	1.39	1.50
May	1.53	1.53	1.35	1.46
June	1.51	1.50	1.36	1.46
July	1.43	1.47	1.40	1.47
August	1.51	1.42	1.43	1.49
September	1.54	1.39	1.48	1.56
October	1.55	1.42	1.53	1.61
November	1.59	1.40	1.56	1.62
December	1.54	1.38	1.54	
Average	1.55	1.48	1.44	

[1]Pounds of 16 percent protein ration equal in value to 1 pound of milk.

Table 12—Utility cow prices, Omaha

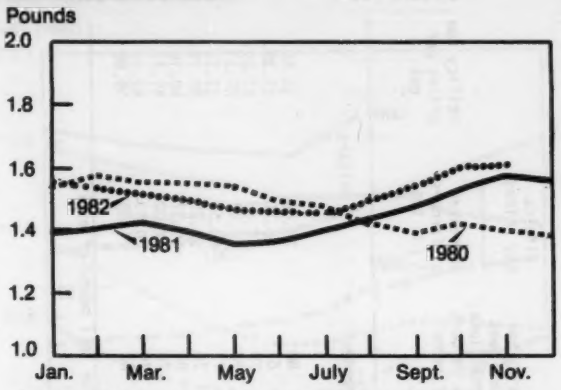
Month	1979	1980	1981	1982
		Dollars per cwt		
January	47.33	47.94	41.61	36.64
February	50.81	51.22	43.65	38.11
March	52.94	48.80	43.12	39.41
April	57.00	45.73	43.95	41.26
May	55.51	42.78	42.39	43.40
June	50.60	44.06	42.88	42.73
July	47.80	43.33	43.78	42.52
August	48.33	45.53	44.3[1]	42.25
September	49.65	46.56	42.47	39.71
October	47.71	45.93	40.60	39.28
November	46.49	43.91	38.71	36.58
December	46.98	42.92	36.65	
Average	50.10	45.73	42.01	

price of corn may average $2.15 to $2.35 a bushel, compared with $2.45 last year and $3.11 in 1980/81. The mid-November farm price of corn averaged $2.20. From mid-November to early December, corn prices moved up 5 cents, based on the Central Illinois daily spot price.

A record-large soybean harvest (2.3 billion bushels) and a sharp increase in ending stocks have resulted in large soybean meal supplies at lower prices. Soybean meal prices at Decatur are projected to average $160 to $180 a ton in 1982/83, compared with $182.50 last year and $218.20 the year before last.

The summer's decline in the prices of feed ingredients (corn and soybean meal) has partly been reflected in lower dairy feed prices. The price of 16-percent protein dairy rations averaged $172 a ton during November, down $7 (4 percent) from a year earlier and $9 below

Milk-Feed Price Ratio*



*Pounds of 16% protein ration equal in value to one pound of milk sold to plants and dealers.

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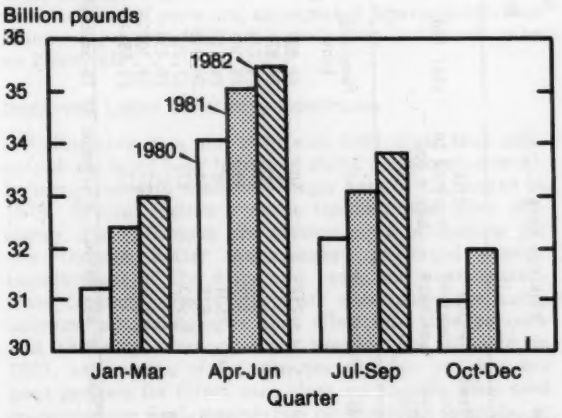
U.S. Milk Production by Quarters - 1980, 1981 & 1982



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May. The decline in feed costs, coupled with a drop in the all-milk price of only 0.7 percent from a year earlier, resulted in a November milk/feed price relationship of 1.62, the highest value since December 1978.

While the prices of feed ingredients may show some increase seasonally, dairy feed prices will likely have little upward movement and, therefore, will remain below year-earlier levels at least through the first half of 1983. Meanwhile, with farm prices for milk (not including deductions) expected to show a seasonal decline from January to June, the milk/feed price relationship will also drop, but it will likely remain above this year's level through the first half of next year. However, when the projected milk price is adjusted to account for the deduction that started December 1, and the assumed April 1 deduction is included, the milk/feed price relationship appears to fall below year-earlier levels starting next spring. Nevertheless, the relationship is expected to remain above 1981 levels.

Forage supplies in most areas of the country are quite adequate entering the winter feeding season. Pasture and range feed conditions on November 1 were even with last year's average but were slightly above the 10-year average. Conditions in the Southeast are much improved from last year's drought. However, parts of the Pacific Northwest may have problems because of a smaller crop of poorer quality hay harvested this past summer. Additional rains were needed in the Southern Plains, but conditions improved this fall. There is an ample supply of hay in the upper Midwest. The 1982 hay crop in Wisconsin is estimated to be over 10 percent higher than last year, primarily from increased yields. However, this year's production is still slightly below 1980's level. Higher yields were also apparent in Minnesota, pushing production up 5 percent from last year.

Output Gains Continue

Milk production during the second quarter of 1982 increased 1.1 percent from a year earlier. The gain was due to 93,000 more milk cows and a modest 7-pound (0.2 percent) increase in output per cow, compared with a year earlier. During the third quarter, production was up 2.3 percent, the result of 101,000 more cows and an increase of 42 pounds (1.4 percent) in output per cow.

With the number of dairy herd replacements per 100 cows record large on July 1, some additional expansion in the herd likely occurred this fall. In addition, the milk/feed price relationship continued to be very attractive for heavy concentrate feeding, thereby pushing up output per cow. Thus, milk production continued to increase this fall, as it has since mid-1979. For all of 1982, milk production will be about 2 percent above 1981's record 132.6 billion pounds.

Despite slightly lower milk prices, the returns over concentrate costs continued to rise from year-earlier levels until mid-1982, because of lower feed prices. For example, the cost of concentrate fed per cwt of milk produced on October 1 averaged 43 cents below a year earlier. However, while feed prices are expected to remain relatively low during 1983, returns over concentrate costs will decline as deductions are reflected in January milk checks.

Dairy farmers' reactions as their net returns are squeezed will play a key role in determining the size of 1983's milk production. If farmers react quickly to the forthcoming lower cash receipts and start to reduce their herds or leave the industry, production late in 1983 could be less than a year earlier, leaving total output about 1 percent above this year. But, low returns for most other farm enterprises, limited nonfarm opportunities for employment, and low prices for slaughter cows are all reducing the incentive to cull cows or leave dairy farming.

Some dairy farmers may delay longer term decisions until after next spring's flush production period. They may attempt to maintain cash flow by holding their cows and using stored forage and continued heavy concentrate feeding to improve output per cow. In addition, some farmers could increase the size of their herds, given the availability of replacements, but only for the short run, and only if they can cover all of their cash costs of the extra cows. If this happens, total 1983 production could be up 4 percent from this year.

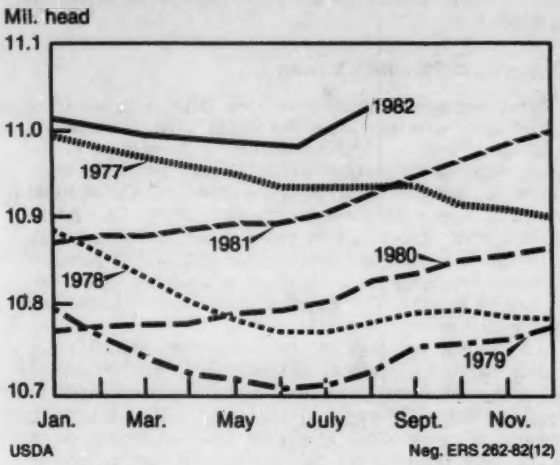
Table 13.--U.S. milk production and factors affecting supply, selected years, 1965-82

Year	Milk cattle on farms, January 1			Milk cows on farms, average during year	Milk production		Average prices received by farmers per cwt		
	Milk cows and heifers that have calved	Milk cow replacements; heifers 500 pounds and over			Per cow	Total	All milk, wholesale	Milk eligible for fluid market	Milk, manufacturing grade
		Total	Per 100 cows						
	-- Thousand --		Number	Thousand	Pounds	Million pounds	---- Dollars ----		
1965	15,380	4,780	31.1	14,953	8,305	124,180	4.23	4.63	3.34
1970	12,091	3,880	32.1	12,000	9,751	117,007	5.71	6.05	4.70
1975	11,220	4,087	36.4	11,139	10,360	115,398	8.75	9.02	7.63
1976	11,071	3,956	35.7	11,032	10,894	120,180	9.66	9.93	8.56
1977	10,998	3,887	35.3	10,945	11,206	122,654	9.72	9.96	8.70
1978	10,896	3,886	35.7	10,803	11,243	121,461	10.60	10.80	9.65
1979	10,790	3,932	36.4	10,743	11,488	123,411	12.00	12.20	11.10
1980 1/	10,779	4,158	38.6	10,810	11,889	128,525	13.00	13.20	12.00
1981 1/	10,860	4,345	40.0	10,919	12,147	132,634	13.80	14.00	12.70
1982 2/	10,998	4,530	41.2	11,024	12,252	135,065	13.55	13.75	12.65

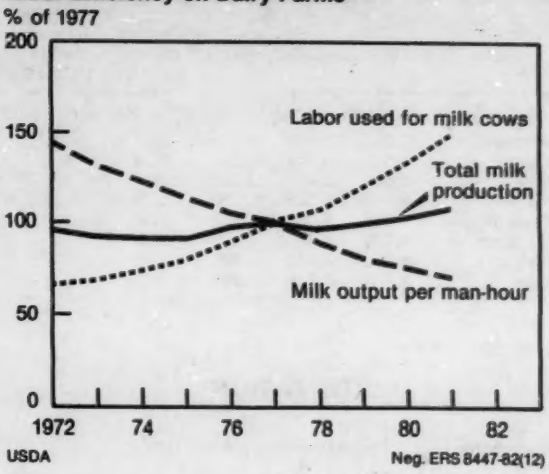
Year	Dairy ration cost		Milk cow cost		Grain and other concentrates fed to milk cows			Dairy pasture feed conditions, as percent of normal	Alfalfa hay prices	
	Value per 100 pounds	Milk/feed price relationship 3/	Price received per head	Milk required to buy a cow	Total fed	Per cow	Per cwt of milk produced		Received by farmers per ton	Utility cow prices per cwt
	Dollars	Pounds	Dollars	Cwt	Thousand tons	Pounds	Pounds	Percent	- Dollars -	
1965	3.03	1.18	212	50	22,827	2,953	36.7	80	25.00	14.44
1970	3.28	1.53	332	58	24,870	3,979	42.4	81	24.70	21.32
1975	6.25	1.31	412	47	24,274	4,357	42.1	79	54.38	21.09
1976	6.30	1.37	477	49	25,083	4,545	41.7	70	60.81	25.31
1977	6.20	1.39	504	52	25,518	4,709	42.1	72	60.57	25.32
1978	6.08	1.53	675	64	26,018	4,803	42.8	76	52.25	36.79
1979	6.68	1.55	1,040	87	27,207	5,070	44.1	82	60.37	50.10
1980 1/	7.42	1.48	1,190	92	28,433	5,260	44.2	70	72.00	45.73
1981 1/	8.05	1.44	1,200	87	29,107	5,330	43.9	79	70.63	42.01
1982 2/	7.45	1.54	1,110	82	29,655	5,380	43.9	83	74.00	39.85

1/ Preliminary. 2/ Preliminary or estimated. 3/ Pounds of 16-percent protein ration equal in value to 1 pound of milk.

Milk Cows on Farms



Labor Efficiency on Dairy Farms



On balance, the squeeze on producer returns, starting with the reduced May milk checks (the second 50-cent deduction), is expected to cause a decline in cow numbers. Nevertheless, numbers probably will not drop below the year-earlier level until late summer; for the year, they are expected to average near 1982. With the same number of cows and an expected 2-percent increase in output per cow, 1983 milk production is forecast to be up 2 percent.

Improved Labor Efficiency Continues

Preliminary data for 1980 and 1981 show that milk output per labor-hour increased about 11 percent annually, compared with a slightly larger gain of 12 percent in 1979. Several factors underlie the improved labor efficiency. Dairy farmers are getting more production per cow through better management, continued genetic improvement of the dairy cow herd, and more concentrate feeding. Meanwhile, dairy enterprises are using labor-saving technologies that allow less time per cow and, therefore, more cows per worker. For example, in 1981, an average of 5.4 minutes of labor per day was used per cow for direct care (does not include time used in producing feed, caring for replacement animals, or general farm overhead), down from 5.8 in 1980 and 6.2 in 1979. Coupling the decreased time per cow with more milk per cow, the dairy laborer's efficiency (output per hour of labor) has increased nearly 50 percent since 1977.

Regional Milk Production: A History of The Major Dairy States

While milk production in the United States has increased substantially since 1979, there are wide variations among the largest dairy States. Total U.S. milk production rose 7.5 percent between 1979 and 1981, while the State with the highest output, Wisconsin, increased its production 3.9 percent. Milk production in the second largest producing State, California, rose 13.4 percent during the same period. Of the top eight producing States, all increased production during this expansion period. California's output rose the most in absolute and percentage terms, while Ohio gained the least, averaging 1.4 percent a year between 1979 and 1981.

The upper Midwest—Wisconsin, Minnesota, and Michigan—accounts for over one-fourth of total U.S. milk production. On a quantity basis, this region showed the largest increase from 1979 to 1981 of any region in the country. Wisconsin's production increases in the last decade averaged 2 percent annually, and the expansion averaged 1.9 percent between 1979 and 1981, substantially below the national average during this time period. Minnesota's producers have been increasing their output at a progressively faster rate since the middle of the decade. Production increased 4.3 and 5.5 percent in 1980 and 1981, respectively, while the average for the 1970's was -0.6 percent. Increases in Michigan during 1980 and 1981 were just under 3 percent each year. Since 1970, Michigan has been expanding output by less than 1 percent a year.

The Northeast region accounts for about 20 percent of U.S. production. Production in Pennsylvania, at almost 9 billion pounds in 1981, had been increasing by about 1.5 percent a year during the 1970's. Increases were over 5 percent in 1980 and 1981. New York, the third largest dairy State, has been expanding output at a slower rate in the past few years. With average annual increases of 1.6 percent from 1970-1979, milk production rose 3.2 and 1.1 percent in 1980 and 1981, respectively.

Milk output in the Corn Belt fluctuated more than in other producing areas in the 1970's. In Ohio, production in the 1970's averaged annual increases of 0.6 percent, then increased 2.8 percent between 1979 and 1981. Meanwhile, production in Iowa rose 9.6 percent between 1979 and 1981. This compares with average output declines of 0.6 percent a year in the 1970's.

California currently accounts for 10 percent of U.S. production. This State has experienced rapid expansion since 1970—an average of 3.5 percent annually. Between 1979 and 1981, production rose over 1.6 billion pounds—a 13.4-percent increase. Last year, output climbed 4 percent to 14.2 billion pounds, but in 1982, the rate of expansion has moderated somewhat. A lack of processing capacity has held California's milk production somewhat in check.

Table 14—Milk production, selected States, 1979-81

State	1979	1980	1981	Percent change 1979-81	Average annual change, 1970-79
	Million pounds			*Percent*	
Wisconsin	21,850	22,380	22,705	3.9	2.0
California	12,563	13,577	14,244	13.4	3.5
New York	10,630	10,974	11,093	4.4	1.6
Minnesota	9,145	9,535	10,061	10.0	−.6
Pennsylvania	8,084	8,496	8,965	10.9	1.5
Michigan	4,830	4,970	5,103	5.6	.6
Ohio	4,265	4,310	4,385	2.8	−.4
Iowa	3,920	4,108	4,298	9.6	−.6

UTILIZATION

More Milk Used To Make Dairy Products

The amount of milk used to make manufactured dairy products during July-September was 19.4 billion pounds, a gain of about 1 billion pounds (5.1 percent) from third-quarter 1981. On a milk-equivalent, fat-solids basis, the production of cheeses that are other than American types accounted for about 350 million pounds of the extra milk, while American-type cheeses used about 500 million. Butter output picked up the rest, plus 100 million from the other manufactured dairy products, for about a 250-million pound gain in milk used.

Milk Use Improves

Commercial disappearance of manufactured and fluid dairy products during January-September increased 1.7 percent from a year earlier. On a milk-equivalent, fat-solids basis, this is a gain of 1.5 billion pounds. Total disappearance for 1982 is expected to be 122 billion pounds, up 1.5 percent. This is an expected increase of about 2 billion pounds and a strong recovery from 1981, but less than expected given the decline in real prices of dairy products. The weak general economy and high unemployment are likely the principal causes, but increased special domestic donations of dairy products to the needy, as well as reduced expenditures on the special milk program, may also have had an impact.

Commercial use of butter during the third quarter was nearly unchanged from a year earlier, leaving disappearance for January-September up 5 percent. American cheese sales also improved in the third quarter—up 2 percent. For the first three quarters of this year, American cheese use was up nearly 3 percent. However, sales of other types of cheese continue to be the strong point in the dairy case, with July-September use up 7 percent, and the January-September total up 5 percent.

For the first three quarters of 1982, fluid milk sales in marketing areas defined by Federal orders were down 1.3 percent from the same period in 1981. Sales of lowfat and skim milk were 1.1 percent higher, while sales of whole milk items continued to decline year-to-year. Whole milk sales for the first 9 months of this year were down 3.2 percent compared with last year. Whole milk accounted for 55 percent of total fluid sales in Federal order markets during January - September.

Commercial disappearance is expected to again be up 1.5 percent in 1983. Real prices of dairy products will likely decline again, but the same factors that slowed the gains in commercial use this year will also be important in 1983.

Commercial Holdings Lower

Total commercial dairy stocks on October 1 were the lowest they have been since the end of 1978. Commercial holdings of butter, which accounted for 11 percent of the total, dropped 28 percent since October 1981 and were almost 50 percent lower than 2 years ago. Commercial stocks of American cheese were also down—18 percent below a year earlier. Other cheeses and nonfat dry milk were up slightly from October 1981, 5 and 3 percent, respectively. While total commercial holdings were down almost 15 percent, Government stocks more than made up the difference.

Government holdings on October 1 were significantly higher, particularly stocks of nonfat dry milk. Stocks of all dairy products increased from October 1981 to October 1982. CCC stocks of nonfat dry milk were up 59 percent, bringing total stocks of this commodity to a record level. Government-held stocks of American cheese rose approximately 18 percent from a year earlier, pushing total stocks (Government and commercial) up 3 percent. Government stocks of butter were 9 percent higher this October than last year. However, from July 1 to October 1, Government inventories declined 16 million pounds (3 percent). Shipments to New Zealand under the 1981 purchase agreement and probably some movement of butter to schools contributed to the decline. Still, 95 percent of the butter held in inventory is Government owned.

Stocks of dairy products will probably continue to increase. The decline in commercial stocks will likely slow, as the level is now at a 9-year low. For example, commercial butter stocks in the third quarter were equal to approximately 3.5 percent of commercial disappearance, while the comparative figure for 1981 was 14 percent. Commercial stocks of American cheese were 56 percent of commercial disappearance in the third quarter of this year, compared with 70 percent a year earlier. With continued high Government purchases projected for next year and limited outlets for the large CCC stocks, Government stocks will increase significantly in 1983.

Record Large CCC Purchases

During 1981/82 (October-September), CCC net purchases equaled 13.8 billion pounds on a milk-equivalent basis. For the year, 598.6 million pounds of cheese, 950.8 million of nonfat dry milk, and 382.1 million of butter were purchased by the CCC.

USDA purchases have varied considerably from year to year. From 1965/66 to 1976/77 (after which the marketing year changed from April-March to October-September), net purchases increased in 4 of the years and declined in 7. The average annual change in purchases was 1.6 billion pounds.

However, in 1979/80, purchases jumped more than 7 billion pounds to 8.2 billion. The next 2 years showed further increases. Contributing factors were the mandated 80 percent of parity minimum price support level and semiannual adjustments maintained from 1977 through 1980. Dairying became relatively more profitable than other farm enterprises, and resources were shifted into this industry. Production increases were greater than consumption gains, resulting in large Government purchases.

Table 15—Wisconsin out-of-State milk shipments

Month	1980		1981		1982[2]	
	Loads	Volume	Loads	Volume	Loads	Volume
	Number	*Thousand pounds*	*Number*	*Thousand pounds*	*Number*	*Thousand pounds*
January	156	7,332	4	188	57	2,679
February	70	3,290	7	329	31	1,457
March	20	940	2	94	20	940
April	0	0	0	0	7	329
May	0	0	0	0	15	705
June	0	0	0	0	22	1,034
July	119	5,593	48	2,256	25	1,175
August	146	6,862	41	1,927	23	1,081
September	190	8,930	118	5,546	68	3,196
October	67	3,149	25	1,175	20	940
November	8	376	40	1,880	50	2,350
December	6	282	23	1,081		
Total	782	36,754	308	14,476		

[1]Changes in marketing practices in the Chicago market and adjacent Federal order markets may affect the comparability of this data.

Table 16—Production of selected manufactured dairy products

Item	1981	Change from 1980	Jan.-June 1982[1]	Change from 1981	July-Sept. 1982[1]	Change from 1981
	Million pounds	*Percent*	*Million pounds*	*Percent*	*Million pounds*	*Percent*
Butter	1,228.2	+7.2	701.5	+3.8	262.2	+4.8
American cheese	2,608.5	+9.8	1,396.5	+1.3	662.5	+7.0
Other cheese	1,620.6	+0.7	831.4	+4.5	437.0	+9.7
Cottage cheese[2]	981.7	−2.3	491.7	−2.8	246.6	−2.0
Canned milk	757.9	+4.6	368.3	−0.4	185.6	−4.6
Dry whole milk	92.7	+12.1	55.8	+29.5	21.4	−8.2
Ice cream	3,994.8	+0.3	420.1	+3.3	243.5	−0.6
Milk equivalent[3]	77,862.0	+5.1	40,833.0	+2.4	19,431.0	+5.1
Nonfat dry milk	1,314.3	+13.2	753.8	+8.1	346.7	+6.5

[1]Preliminary. [2]Creamed and lowfat. [3]Total reported manufactured products.

Table 17—U.S. utilization of total milk supply, selected years, 1977-82[1]

Year	Fluid	Butter, net	Cheese			Evaporated and condensed whole milk	Dry whole milk	Frozen dairy products, net	Other factory products	Total factory products[2]	Miscellaneous[3]	Total used by producers
			American	Other	Creamed cottage							
	Billion pounds											
1977	51.4	21.9	20.5	8.4	1.1	2.4	.5	11.7	.7	67.1	1.6	2.8
1978	51.2	19.7	20.7	9.2	1.1	2.3	.5	11.7	.7	65.9	1.9	2.7
1979	51.4	19.4	21.9	9.7	1.0	2.3	.6	11.7	.9	67.5	2.3	2.5
1980[4]	50.9	22.8	23.8	10.2	1.0	2.1	.6	11.9	.9	73.3	2.2	2.3
1981[4]	50.2	24.5	26.2	10.3	1.0	2.3	.7	12.0	.8	77.9	2.5	2.3
1982[5]	49.5	25.5	27.0	10.5	1.0	2.2	.7	12.2	1.9	81.2	2.4	2.2

[1]Total supply includes milk marketed by farmers; net imports of ingredients such as frozen cream, ice cream", and butterfat-sugar mixtures; and net changes in storage cream, milk-equivalent, fat-solids-basis. See DS-387, December 1981, table 6 for earlier data. [2]May not add because of rounding. [3]Residual, including miscellaneous minor use and any inaccuracies of independently determined use items. [4]Preliminary. [5]Estimated.

Table 18—Commercial disappearance: Total milk, annual and quarters, 1980-82[1]

Item	1980			1981					1982[2]		
	Quarters		Year	Quarters				Year	Quarters		
	III	IV		I	II	III	IV		I	II	III
	Billion pounds										
Production	32.2	31.0	128.5	32.4	35.1	33.1	32.0	132.6	33.0	35.5	33.8
Farm use	.6	.6	2.3	.6	.6	.6	.6	2.3	.6	.6	.6
Marketings	31.6	30.4	126.2	31.9	34.6	32.5	31.4	130.3	32.4	34.9	33.3
Beginning commercial stocks	6.3	6.1	5.4	5.8	5.8	5.9	5.3	5.8	5.4	5.2	5.0
Imports	.5	.9	2.1	.4	.6	.6	.9	2.3	.4	.7	.7
Total supply	38.4	37.4	133.7	38.1	40.9	39.0	37.5	138.4	38.3	40.8	39.0
Ending commercial stocks	6.1	5.8	5.8	5.9	5.9	5.3	5.4	5.4	5.2	5.0	4.5
Net Removals	1.5	1.4	8.8	4.3	4.8	2.1	1.6	12.9	4.7	4.9	2.7
Commercial disappearance (actual)	30.9	30.2	119.2	27.9	30.2	31.6	30.5	120.1	28.4	30.8	31.9
Percent change[3]	+0.2	−0.6	−0.9	[4]−5.1	+5.0	+2.5	+0.9	+0.8	+2.0	+2.2	+0.8

[1]Milk equivalent, fat-solids basis. Totals may not add because of rounding. [2]Preliminary. [3]From year earlier, using unrounded data. [4]On a daily average basis.

Table 19—Commercial disappearance: Selected dairy products, 1972-82[1]

Year	Butter[2]	Cheese		Nonfat dry milk	Canned milk	Frozen products[4]
		American[3]	Other			
		Million pounds				*Million gallons*
1972	885.4	1,595.7	1,127.8	919.2	1,102.6	1,108.6
1973	855.6	1,677.1	1,210.2	1,110.1	1,056.7	1,118.6
1974	929.9	1,780.6	1,276.5	809.9	999.4	1,128.0
1975	951.0	1,717.1	1,331.9	697.0	924.0	1,163.9
1976	919.0	1,920.9	1,458.0	719.2	898.9	1,154.0
1977	859.8	1,958.8	1,512.3	682.2	775.4	1,167.6
1978	903.5	2,064.7	1,655.5	658.4	776.0	1,173.5
1979	895.0	2,113.1	1,730.4	603.0	773.6	1,152.1
1980	878.8	2,023.9	1,827.9	538.8	732.6	1,168.4
1981-1st Qtr.	188.9	521.7	438.4	104.6	177.9	249.8
2nd Qtr.	214.3	508.9	446.1	86.2	159.2	326.7
3rd Qtr.	222.9	536.5	457.4	155.4	167.1	348.0
4th Qtr.	243.2	548.4	528.6	118.0	246.0	244.8
Total	869.2	2,115.5	1,870.8	464.1	750.4	1,169.4
1982-1st Qtr.[5]	213.4	534.7	444.8	94.4	170.1	251.1
2nd Qtr.[5]	216.5	527.6	478.1	75.2	149.5	334.7
3rd Qtr.[5]	223.1	548.5	489.2	150.0	166.3	347.8

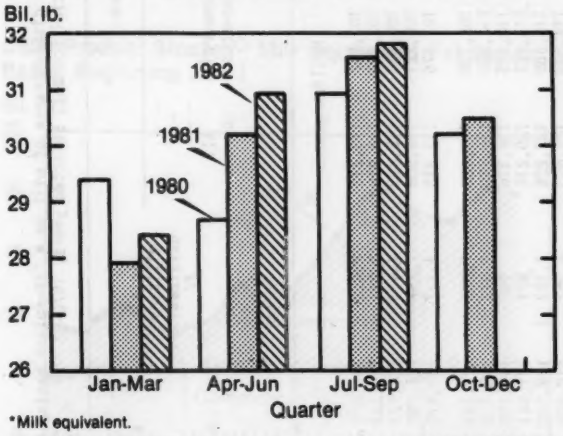
[1]Total may not add because of rounding. [2]Imports include butter equivalent of butteroil. [3]Imports include colby cheese; stocks do not include processed cheese. [4]Excludes Mellorine. [5]Preliminary.

Table 20—January-September dairy sales, selected products

Item	1981	1982	Change
	Million pounds		
Total milk[1]	89,650.0	91,140.0	+1.7
Manufactured products:			
American cheese	1,567.1	1,610.8	+2.8
Other cheese	1,341.9	1,412.1	+5.2
Cottage cheese[2]	757.6	738.4	−2.5
Butter	621.6	653.0	+5.1
Ice cream	651.5	663.5	+1.8
Ice milk	236.0	233.9	−0.9
Canned milk	504.2	485.9	−3.6
Nonfat dry milk	346.2	319.6	−7.7
Fluid products[3]			
Whole milk	14,443.0	13,980.0	−3.2
Skim and lowfat milk	11,140.0	11,262.0	+1.1

[1]On a milk-equivalent, fat-solids-basis. [2]Creamed and lowfat. [3]Based on January-May Federal order data, percent change adjusted for calendar composition and seasonality.

Commercial Disappearance of Milk in All Products*



*Milk equivalent.

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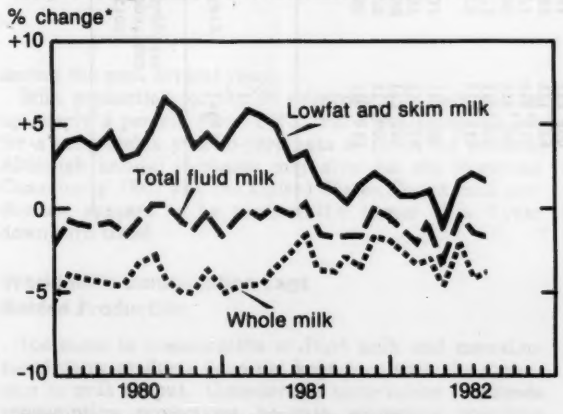
Daily Average Sales of Fluid Milk Items



*From year earlier. Adjusted for calendar composition.

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CCC net outlays in 1981/82 totaled $2.1 billion, up from $1.9 billion the previous year. Net outlays in 1982/83 are forecast to increase to $2.3 billion. However, the cost to taxpayers will be lowered considerably when producer assessments are accounted for. Including the first 50-cent assessment, and assuming the April 1 assessment is implemented, the collections may amount to around $900 million in 1982/83. In this case, net outlays minus the industry assessment would equal $1.4 billion.

The uncommitted inventory of dairy products remains high. On September 30, 1982, CCC's uncommitted inventory of butter totaled 402.7 million pounds, up 86 percent from a year earlier. Domestic and foreign donations of 149.2 million pounds of butter—including about 20 million pounds for the special distribution to needy persons—were made during the marketing year. This compares with 118.3 million pounds in 1980/81. Secretary Block announced on November 30 that an additional 75 million pounds of butter will be available for distribution to the needy in 1983.

Uncommitted cheese stocks on September 30 equaled 825.1 million pounds, up from 554.4 million on September 1, 1981. Donations of cheese totaled 316 million pounds in 1981/82—with 142 million pounds in the special "cheese giveaway" program. In 1983, 280 million pounds of cheese will be available to needy persons.

The CCC inventory of nonfat dry milk on September 30, at 1.2 billion pounds, was 45 percent higher than a year earlier and equal to almost as much as that produced during 1981. During the marketing year, 375 million pounds were donated. With removals for 1982/83 forecast at 13.9 billion pounds milk equivalent, CCC inventories will once again likely increase substantially.

FOREIGN TRADE AND TRENDS

Imports Still Larger

Imports of dairy products during January-September, on a milk-equivalent, fat-solids basis, were up 23 percent from last year. Cheese imports rose about 17 percent, while other products increased nearly 50 percent on a fat-solids basis. Imports of quota-type cheeses were up 19 percent on a product-weight basis but for the year so far, they have filled only 68 percent of the fixed annual quota. Nonquota types increased about 4 percent. Casein imports through September rose slightly more than a third and are now more than total imports for all of 1981. Lactose imports were less than half of a year earlier.

World Milk Production Continues To Expand

Total milk production for the world's 36 major dairy countries is continuing to expand, and dairy surpluses are expected to plague policymakers in many countries throughout the 1980's. While milk cow numbers have remained relatively unchanged since the mid-1970's, technological improvements in breeding, feeding, and housing and significant changes in herd structure have caused sharp gains in output per cow and total production. Yields per cow are up about 10 percent overall since the mid-1970's, with much sharper gains registered in France, India, the United Kingdom, Italy, Ireland, and the United States. Substantial increases in productivity are expected in these countries as well as many others

Table 21.--U.S. domestic civilian disappearance of milk on a fat-solids basis, commercial and noncommercial sources, selected years, 1970-82

Year	Civilian disappearance				Total military utilization 2/	Consumption excluding donations from USDA supplies		
	Consumed on farms 1/	USDA donations to civilian channels and National School Lunch and Special Milk Programs	Commercial sources	All sources		Civilian	Military	Total
	Million pounds							
1970	2,306	7,649	103,257	113,212	2,419	109,025	1,788	110,813
1971	2,117	8,020	103,782	113,919	2,031	109,393	1,608	111,001
1972	1,914	7,406	106,563	115,883	1,671	111,977	1,258	113,235
1973	1,766	7,021	106,721	115,508	1,257	111,987	1,257	113,244
1974	1,643	4,959	107,376	113,978	1,137	112,519	1,137	113,656
1975	1,505	5,780	108,138	115,423	1,075	113,143	1,075	114,218
1976	1,404	3,978	111,268	116,650	1,013	116,172	1,013	117,185
1977	1,295	6,486	110,395	118,176	996	115,190	996	116,186
1978	1,168	5,775	113,273	120,216	977	117,941	977	118,918
1979	1,031	5,810	115,385	122,226	1,163	119,916	1,163	121,079
1980 3/	943	7,057	114,803	122,803	1,067	118,446	1,044	119,490
1981 3/	902	4,645	117,748	123,295	1,020	119,550	1,007	120,557
1982 4/	880	8,000	119,820	128,700	1,000	121,500	1,000	122,500

	Per capita civilian disappearance 5/				Civilian consumption excluding donations from USDA supplies
	Consumed on farms 1/	USDA donations to civilian channels and National School Lunch and Special Milk Programs	Commercial sources	All sources	
	Pounds				
1970	11	38	511	561	540
1971	10	39	507	556	534
1972	9	36	514	558	539
1973	8	34	509	551	534
1974	8	24	507	539	532
1975	7	27	506	540	529
1976	7	18	515	540	538
1977	6	30	506	542	528
1978	5	26	514	545	535
1979	5	26	517	548	538
1980 3/	4	31	509	544	525
1981 3/	4	20	517	541	525
1982 4/	4	35	521	560	529

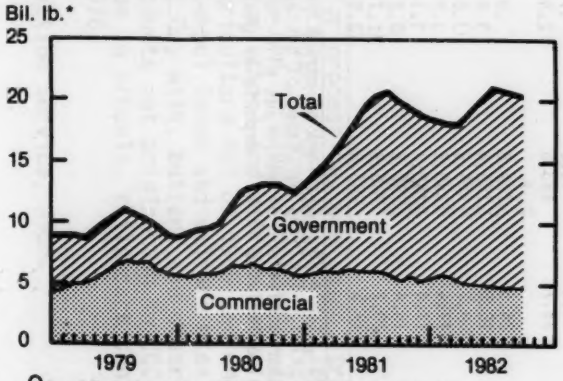
1/ Includes a small amount of farm-churned butter sold. 2/ Includes any quantities used by military in civilian feeding programs abroad. 3/ Preliminary. 4/ Estimated. 5/ Aggregate in each category divided by total civilian populations.

Table 22—U.S. dairy product stocks, October 1

Item	1980	1981	1982
		Million pounds	
Commercial:			
Butter	43.7	31.9	23.0
American cheese	422.7	374.5	308.3
Other cheese	112.4	95.7	100.4
Nonfat dry milk	76.2	87.2	89.8
Milkfat	216.7	185.1	159.3
Solids-not-fat	259.3	247.1	233.9
Milk-equivalent, fat-solids-basis	6,116.3	5,255.2	4,475.5
Government:			
Butter	259.3	457.6	499.1
American cheese[1]	143.0	511.9	602.5
Nonfat dry milk	523.2	721.8	1,150.3
Milkfat	254.8	533.2	595.8
Solids-not-fat	547.4	853.7	1,292.4
Milk-equivalent, fat-solids-basis[1]	6,768.1	14,558.2	16,260.3

[1]Does not include processed American cheese stocks held by CCC.

Dairy Product Stocks:○ Milk Equivalent Fat Solids Basis, Beginning Jan. 1



○As of first of month. *Milk-equivalent, fat-solids basis.

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during the next several years.

Milk production for the 36 countries this year will be up nearly 2 percent from 1981. For 1983, prospects are for a comparable year-to-year gain of about 1.5 percent. Although annual increases may slow for the European Community (EC) and the United States, Soviet milk production appears to be turning the corner of a 4-year downward trend.

World Milk Consumption Lags Behind Production

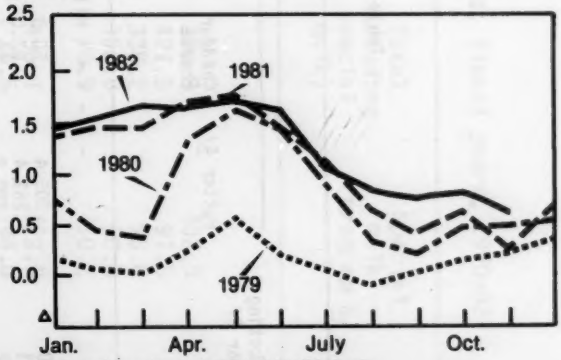
Increases in consumption of fluid milk and manufactured dairy products have not kept pace with the expansion in milk output. Considerable uncertainty surrounds consumption projections because worsening economic conditions have dampened consumer demand for dairy products. Even with an improved world economic situation, which would bolster the upward trend in cheese consumption and increase the use of dairy products in developing countries, the overall outlook is for world milk production to grow faster than available outlets.

International trading of butter is down this year because exports from the EC have fallen. In 1981, there was relatively strong demand from the Middle East and Eastern Europe, but butter sales to those markets dropped sharply this year. F.o.b. butter prices in Northern Europe during first-half 1982 ranged between $2,125 and $2,250 a metric ton (96 cents to $1.02 a pound). This fall, prices have been quoted at $2,000 to $2,050 a ton.

International prices for skimmed milk powder had reached $1,100 a ton, f.o.b. in late 1980 and fluctuated between $1,050 and $1,100 (48 to 50 cents) through 1981. During first-half 1982, prices declined about $50 a ton, reportedly because of the strengthening in the U.S. dollar. The decline continued through partly because of uncertainty over U.S. export actions. Prices currently are being quoted at $800 to $850 a ton. Purchases by such traditional importers as Mexico and Japan appear to have been made at much lower average prices this year than a year ago.

For cheese, world production is up about 3 percent this year, and consumption is expected to rise by a comparable amount. World stocks will be a little higher by year's end because of the sharp gain in U.S. Government-owned inventories. The outlook for next year is for only a 1- to 3-percent rise in world cheese output and consumption. Prices for cheese have been more stable on world markets this year than were those for butter and skim milk powder. International prices for cheddar cheese fluctuated around $1,750 a ton, f.o.b., during January - September 1982. Reportedly, competition on world cheese markets increased in recent months as traders looked with concern at high U.S. stocks and an indication that the United States was preparing to sell surplus cheese abroad. With the exception of 9,400 metric tons exported to Poland in 1981 and 1982, no CCC stocks have been sold abroad since the mid-1960's.

USDA Dairy Product Purchases*



*Net removals, milk-equivalent, fat-solids basis.
ΔNegative figures denote domestic sales exceeded purchases.

USDA Neg. ERS 8449-82(12)

Table 23.--Dairy products removed from the commercial market by USDA programs marketing years, 1970-81 1/

Marketing year 2/	Net removals 3/						Solids content of removals			
	Butter 4/	Cheddar cheese	Dry whole milk	Evaporated milk	Nonfat dry milk 5/	Milk equivalent	Milk-fat	Solids-not-fat	As a percentage	
									Milk-fat	Solids-not-fat
	Million pounds					Bil. lb	Million pounds		Percent	
1970	305.4	56.8		79.0	452.3	7.2	273.5	469.9	6.6	4.9
1971	262.4	87.0	0.6	102.0	463.5	6.6	250.7	494.1	5.9	5.0
1972	220.2	20.1	1.5	81.2	259.9	5.0	192.4	274.1	4.5	2.8
1973	26.1	4.9	3.4	50.0	41.6	.7	27.7	53.2	.7	.6
1974	66.9	93.5	.9	33.7	393.6	2.4	89.6	414.8	2.2	4.3
1975	26.1	33.3		24.5	274.8	.9	35.6	279.3	.9	2.9
1976	114.9	96.9		16.5	186.4	3.4	126.3	213.3	2.9	2.1
1977 6/	133.9	87.4		9.7	345.5	3.6	139.1	362.4		
1977	134.6	41.6		17.4	338.5	3.2	125.5	342.9	2.9	3.3
1978	46.2	12.1		17.4	202.5	1.1	43.9	202.1	1.0	2.0
1979	233.0	335.6		15.4	592.2	8.2	301.0	678.2	6.8	6.5
1980 7/	356.5	532.1		20.2	786.9	12.7	465.4	928.1	10.1	8.6
1981 7/	382.1	598.6		19.5	953.6	13.8	508.5	1,109.0	10.6	9.8

1/ For earlier years see DS-387, December 1981, table 10. 2/ Start of marketing year April 1, 1965-77, October 1, 1977 to present. 3/ Delivery basis after domestic unrestricted sales. Includes purchases of butter, cheese, evaporated milk, and nonfat dry milk under Section 709 and Section 4(a). 4/ Includes butter equivalent of anhydrous milk-fat and Payment-In-Kind (PIK) purchases. 5/ Includes PIK certificates issued; beginning January 1972, also includes Title I exports originating from private stocks. 6/ April-September transition period. 7/ Preliminary.

Table 24.--Net Government expenditures on dairy support and related programs, fiscal years, 1970-82

Fiscal year beginning July 1	Net support purchases 1/	Section 32 2/	Section 709 3/	Section 4(a)	Export assist-ance 4/	Total (excluding special milk)	Special milk program 5/
			Million dollars				
1969-70	168.6	107.1	7.8		7.4	290.9	102.9
1970-71	315.4	91.6	3.2		11.6	421.8	91.8
1971-72	267.0	63.9			7.3	338.2	93.6
1972-73	135.8	15.4	0.1		1.5	152.8	90.8
1973-74	31.4	10.8	13.7	15.0		70.9	50.2
1974-75	485.8	6.5		3.8		496.1	122.9
1975-76	69.6	4.1		2.8		76.5	144.0
Transition quarter*	43.5	1.0				44.5	25.5
1976-77	709.8			4.5		714.3	109.7
1977-78	446.4			5.0		451.4	137.8
1978-79	244.3			6.3		250.6	134.1
1979-80	1,274.0			5.8		1,279.8	156.8
1980-81	1,967.2			7.5		1,974.7	118.8
1981-82	2,231.3			7.9		2,239.2	28.1

1/ CCC support purchases and related costs (for processing, packaging, transportation, and storage) of dairy products, less proceeds from sales to commercial buyers for domestic use and for export, U.S. military agencies, foreign government and private welfare agencies, and Section 32 programs. 2/ Expenditures of Section 32 funds to buy dairy products in the market and from CCC for school and welfare uses. 3/ Purchases of dairy products at market prices under Sec. 709 of the Food and Agriculture Act of 1965 and under Sec. 4(a) of the Agriculture and Consumer Protection Act of 1973, for domestic school lunch and welfare uses. 4/ Value of Payment-In-Kind certificates issued by CCC on exports of nonfat dry milk, butter, and other high-milk-fat products, and CCC costs of exports under Title I, P.L. 480 of dairy products not originating in CCC stocks. 5/ Expenditures under the program to increase milk consumption by children in schools, child-care centers, and similar institutions.
* Start of fiscal year moved to October 1 in 1976.

SOURCE: Agricultural Stabilization and Conservation Service, USDA.

Table 25—USDA expenditures for dairy products, fiscal year ending September 30, 1982

	Value						Quantity			
	Butter and butter products	Cheese		Nonfat dry milk	Condensed and evaporated milk	Total	Butter and butter products	Cheese		Nonfat dry milk
		Am.	Moz.					Am.	Moz.	
	Million dollars									
CCC outlays										
Purchases	[1]565.0	852.0	22.4	843.0		2,282.4	[2]377.3	575.2	16.8	893.9
Storage, handling	18.8	25.8		13.5		58.1				
Transportation	12.3	21.4		21.0		54.7				
Processing, packaging	4.3	20.2		6.0		30.5				
Total carrying charges	35.4	67.4		40.5		143.3				
Total outlays	600.4	919.4	22.4	883.5		2,425.7				
Sales proceeds										
Sales	[3]115.7	22.2		52.1		190.0	[4]234.1	22.7		173.7
Donations-Schools and needy	0.1	0.6	2.3	0.4		3.4	0.1	0.3	1.4	2.3
P.L. 480, Title II	0.1			13.2		13.3	1.5			163.8
Transferred to CSM				[5]32.0		32.0				35.2
Other receipts	0.6	1.5		2.7		4.8	0.3	4.8		2.1
Total	116.5	24.3	2.3	100.4		243.3	236.0	27.8	1.4	377.1
Expenditures										
CCC net expenditures	483.9	895.1	20.1	783.1		2,182.2				
Section 4(a)					7.9	7.9				
Donations-Schools and needy	0.1	0.6	2.3	0.4		3.4				
P.L. 480, Title II unrecovered cost	0.1			[6]21.4		21.5				
Transferred to CSM				24.2		24.2				
USDA net expenditures	484.1	895.7	22.4	829.1	7.9	2,239.2				

[1]Includes $4.0 million cost for purchasing anhydrous milkfat. [2]Includes 1.9 million pounds of anhydrous milkfat. (Multiply by 1.25 to obtain butter equivalent.) [3]Includes $2.0 million sales proceeds for anhydrous milkfat. [4]Includes 1.7 million pounds of anhydrous milkfat. [5]Includes $26.0 million cost of NDM used in the manufacture of CSM. [6]Includes $1.8 million Title II NDM sales proceeds included in CSM.

SOURCE: Agricultural Stabilization and Conservation Service, USDA.

Table 26—Commodity Credit Corporation, net realized losses (expense) and net expenditures for dairy price support, fiscal 1981 and 1982

Item	Fiscal 1981		Fiscal 1982	
	Expense	Outlays	Expense	Outlays
		Million of dollars		
Expense/gross outlay:				
Purchases		1,990.7		2,282.4
Storage and handling	36.1	36.1	58.1	58.1
Transportation	49.9	49.9	54.7	54.7
Processing and packaging		23.9		30.3
Sales (cost basis)	447.1		699.0	
Donations (cost basis)	404.5		535.8	
Other expense or outlays	0.3	0.3	0.2	0.2
Subtotal	937.8	2,100.8	1,347.8	2,425.7
	Income	Receipts	Income	Receipts
Offsetting income/receipts:				
Proceeds from sales	−172.9	−172.9	−211.3	−211.3
Net transfers to blended foods		−33.8		−31.9
Other income or receipts	−0.3	−0.3	−0.3	−0.3
Subtotal	−173.2	−207.0	−211.6	−243.5
Net realized loss or net expenditures	764.6	1,893.8	1,136.2	2,182.2

Note: Expense items minus income items equal net realized loss (expense concept), and gross outlay items minus receipt items equal net expenditures (expenditure concept).

SOURCE: Agricultural Stabilization and Conservation Service, USDA.

Table 27—USDA dairy purchases[1]

Item	January-November		
	1981	1982	Change
	Million pounds		*Percent*
Butter	333.6	368.0	+10.3
American cheese	535.0	598.8	+11.9
Nonfat dry milk	787.0	884.2	+12.4
Evaporated milk	17.5	19.0	+8.6
Milk-equivalent, fat-solids-basis	12,213.4	13,557.2	+11.0

[1]Deliveries minus unrestricted sales.

Table 28—Uncommitted CCC stocks, December 1

Item	1981	1982
	Million pounds	
Butter	205.7	378.4
American cheese	553.6	786.0
Nonfat dry milk	843.9	1,216.5

Table 29—U.S. dairy trade, milk-equivalent, fat-solids-basis

Year and quarters	Imports		Exports	Shipments[1]
	Cheese	Other		
		Million pounds		
1980				
1st	224	142	108	135
2nd	321	35	88	139
3rd	489	18	75	142
4th	832	46	99	146
Year[2]	1,866	241	370	562
1981				
1st	306	97	85	162
2nd	393	75	428	138
3rd	451	125	806	155
4th	809	67	1,777	131
Year[2]	1,960	365	3,096	586
1982				
1st	359	62	1,558	153
2nd	433	219	938	157
3rd	538	168	592	129

[1]To U.S. territories. [2]May not add because of rounding.

Table 30—Dairy products: U.S. imports, quota and non-quota, total 1981 and January-September, 1981-82[1]

Product	Calendar year quota	1981 imports	September			Cumulative, January-September		
			1981	1982	1982 as a % of 1981	1981	1982	1982 as a % of 1981
		Thousand pounds			*Percent*	*Thousand pounds*		*Percent*
Cheese, quota types								
American-cheddar	12,205.3	12,099	419	764	182	7,134	8,294	116
-other	7,545.4	[4]7,842	1,139	885	78	2,963	3,482	118
Italian-original loaves	12,374.4	7,840	319	1,021	320	4,152	7,701	185
-other	1,550.0	619	8	103	(6)	448	1,165	260
Edam and Gouda-natural	9,208.6	9,029	641	492	77	6,895	6,438	93
-processed	3,151.3	3,088	243	433	178	1,621	1,852	114
Blue mold	5,469.6	5,095	504	680	135	3,191	3,577	112
Swiss-Emmenthaler	70,278.1	66,116	6,136	6,297	103	45,227	47,551	105
-Gruyere process	16,479.0	13,300	1,894	1,996	105	9,060	9,221	102
Other-over 0.5% fat	89,486.8	77,337	6,059	8,265	136	32,846	46,148	140
-under 0.5% fat	12,621.1	10,110	1,075	900	84	6,906	8,441	122
Total	240,349.6	212,475	18,437	21,836	118	120,415	143,869	119
Cheese, non-quota types								
Other cow milk cheeses[2]		12,463	1,374	1,593	116	8,377	9,855	118
Miscellaneous[3]		894	66	109	165	618	847	137
Pecorino		20,615	1,952	2,009	103	14,477	14,025	97
Roquefort		1,214	175	73	42	941	643	68
Total		35,187	3,567	3,784	106	24,413	25,370	104
Total cheese, quota and non-quota	240,349.6	247,661	22,004	25,620	116	144,857	169,239	117
Other quota products								
Butter	707.0	[4]1,827	35	64	183	[4]1,216	[4]1,222	100
Butteroil	1,200.0	1,200	—	—	—	1,200	1,200	100
Butterfat mixtures	2,580.0	1,204	—	—	—	1,204	98	8
Ice cream	3,377.3	0	—	—	—	—	—	—
Frozen cream	12,540.0	12,413	112	440	393	8,748	10,242	117
Nonfat dry milk	1,807.0	[4]2,751	133	99	74	[4]2,142	1,262	59
Dried buttermilk and whey	496.0	383	—	130	(6)	255	139	55
Evaporated milk	1,312.0	[4]4,954	288	232	81	[4]3,654	[4]3,120	85
Condensed milk	4,079.0	386	(5)	(5)	—	292	1,783	611
Chocolate crumb-regular	21,409.2	11,691	894	3,019	338	9,001	13,746	153
-lowfat	4,680.0	1,026	1	165	(6)	811	608	75
Animal feed with milk solids	16,300.0	15,622	5,128	3,710	72	12,128	10,988	91
Non-quota products								
Casein		127,823	10,168	17,277	170	94,667	129,370	137
Lactose		2,381	296	84	28	1,688	717	42
Milk-equivalent, fat-solids basis, total all products	2,234,270	[4]2,329,206	180,263	220,561	122	[4]1,452,592	[4]1,786,160	123

[1]Preliminary. [2]Primarily soft, ripened cheeses. [3]Gjetost, Bryndza, Gammelost and Noekkelost, and Goya. [4]Probable error in reported data. [5]Less than 1. [6]More than 1,000.

SOURCE: U.S. Department of Commerce, Bureau of the Census. ERS, November 19, 1982

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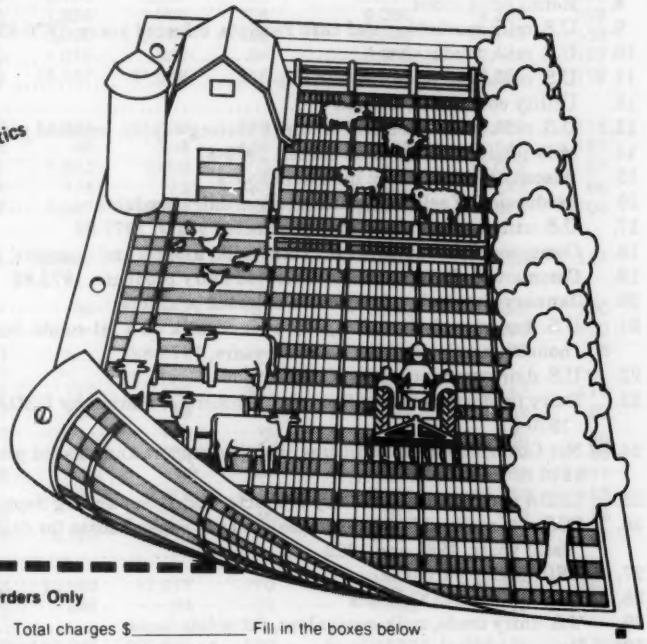

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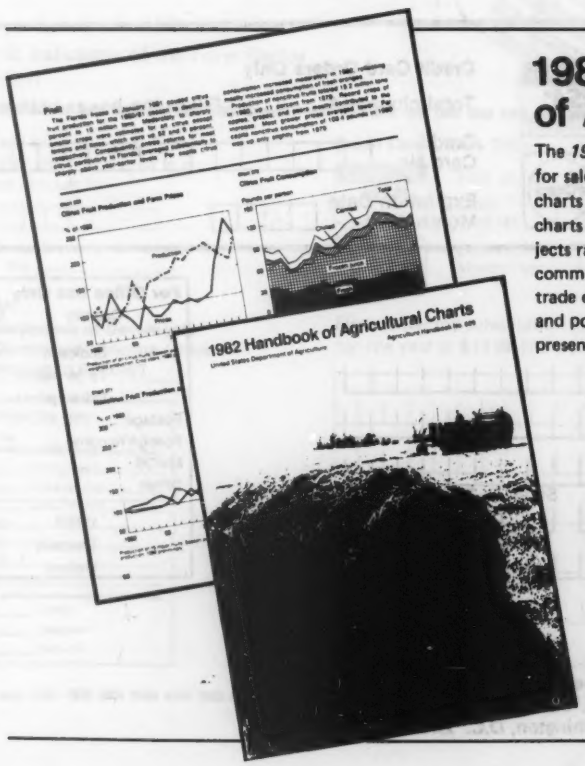

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